# Calendar No. 549

106TH CONGRESS 2D SESSION

# H.R.3616

### IN THE SENATE OF THE UNITED STATES

 $$\operatorname{May}\ 16,\ 2000$$  Received; read twice and placed on the calendar

# AN ACT

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

## 1 SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Impact Aid Reauthor-
3	ization Act of 2000".
4	SEC. 2. PURPOSE.
5	Section 8001 of the Elementary and Secondary Edu-
6	cation Act of 1965 (20 U.S.C. 7701) is amended—
7	(1) in the matter preceding paragraph (1)—
8	(A) by inserting after "educational services
9	to federally connected children" the following:
10	"in a manner that promotes control by local
11	educational agencies with little or no Federal or
12	State involvement"; and
13	(B) by inserting after "certain activities of
14	the Federal Government" the following: ", such
15	as activities to fulfill the responsibilities of the
16	Federal Government with respect to Indian
17	tribes and activities under section 514 of the
18	Soldiers' and Sailors' Civil Relief Act of 1940
19	(50 U.S.C. App. 574),";
20	(2) in paragraph (4), by adding "or" at the
21	end;
22	(3) by striking paragraph (5);
23	(4) by redesignating paragraph (6) as para-
24	graph (5); and
25	(5) in paragraph (5) (as redesignated), by in-
26	serting before the period at the end the following:

1 "and because of the difficulty of raising local rev-2 enue through bond referendums for capital projects 3 due to the inability to tax Federal property". SEC. 3. PAYMENTS RELATING TO FEDERAL ACQUISITION 5 OF REAL PROPERTY. 6 (a) FISCAL YEAR REQUIREMENT.—Section 8002(a) of the Elementary and Secondary Education Act of 1965 8 (20 U.S.C. 7702(a)) is amended in the matter preceding paragraph (1) by striking "1999" and inserting "2005". 10 (b) Amount.— 11 (1)FUNDS.—Section Insufficient 12 8002(b)(1)(B) of the Elementary and Secondary 13 Education Act of 1965 (20 U.S.C. 7702(b)(1)(B)) is 14 amended by striking "shall ratably reduce the pay-15 ment to each eligible local educational agency" and 16 inserting "shall calculate the payment for each eligi-17 ble local educational agency in accordance with sub-18 section (h)". 19 (2) MAXIMUM AMOUNT.—Section 8002(b)(1)(C) 20 of the Elementary and Secondary Education Act of 21 1965 (20 U.S.C. 7702(b)(1)(C)) is amended by add-22 ing at the end before the period the following: ", or 23 the maximum amount that such agency is eligible to 24 receive for such fiscal year under this section, which-

ever is greater".

1	(c) Payments With Respect to Fiscal Years in
2	WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—
3	Section 8002(h) of the Elementary and Secondary Edu-
4	cation Act of 1965 (20 U.S.C. 7702(h)) is amended to
5	read as follows:
6	"(h) Payments With Respect to Fiscal Years
7	IN WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—
8	For any fiscal year for which the amount appropriated
9	under section 8014(a) is insufficient to pay to each local
10	educational agency the full amount determined under sub-
11	section (b), the Secretary shall make payments to each
12	local educational agency under this section as follows:
13	"(1) Foundation payments for pre-1995 re-
14	CIPIENTS.—
15	"(A) IN GENERAL.—The Secretary shall
16	first make a foundation payment to each local
17	educational agency that is eligible to receive a
18	payment under this section for the fiscal year
19	involved and was eligible to receive a payment
20	under section 2 of the Act of September 30,
21	1950 (Public Law 874, 81st Congress) (as such
22	section was in effect on the day preceding the
23	date of the enactment of the Improving Amer-
24	ica's Schools Act of 1994) for any of the fiscal
25	years 1989 through 1994.

"(B) Amount.—The amount of a payment under subparagraph (A) for a local educational agency shall be equal to 37 percent of the payment amount the local educational agency was eligible to receive under section 2 of the Act of September 30, 1950, for fiscal year 1994 (or if the local educational agency was not eligible to receive a payment under such section 2 for fiscal year 1994, the payment that local educational agency was eligible to receive under such section 2 for the most recent fiscal year preceding 1994).

"(C) Insufficient appropriated under section 8014(a) is insufficient to pay the full amount determined under this paragraph for all eligible local educational agencies for the fiscal year, then the Secretary shall ratably reduce the payment to each local educational agency under this paragraph.

#### "(2) Payments for 1995 recipients.—

"(A) IN GENERAL.—From any amounts remaining after making payments under paragraph (1) for the fiscal year involved, the Secretary shall make a payment to each eligible

1	local educational agency that received a pay-
2	ment under this section for fiscal year 1995.
3	"(B) Amount.—The amount of a payment
4	under subparagraph (A) for a local educational
5	agency shall be determined as follows:
6	"(i) Calculate the difference between
7	the amount appropriated to carry out this
8	section for fiscal year 1995 and the total
9	amount of foundation payments made
10	under paragraph (1) for the fiscal year.
11	"(ii) Determine the percentage share
12	for each local educational agency that re-
13	ceived a payment under this section for fis-
14	cal year 1995 by dividing the assessed
15	value of the Federal property of the local
16	educational agency for fiscal year 1995 de-
17	termined in accordance with subsection
18	(b)(3), by the total national assessed value
19	of the Federal property of all such local
20	educational agencies for fiscal year 1995,
21	as so determined.
22	"(iii) Multiply the percentage share
23	described in clause (ii) for the local edu-
24	cational agency by the amount determined
25	under clause (i).

- 1 "(3) Subsection (i) Recipients.—From any 2 funds remaining after making payments under para-3 graphs (1) and (2) for the fiscal year involved, the 4 Secretary shall make payments in accordance with 5 subsection (i). 6 "(4) Remaining funds.—From any funds re-
  - "(4) REMAINING FUNDS.—From any funds remaining after making payments under paragraphs (1), (2), and (3) for the fiscal year involved—
    - "(A) the Secretary shall make a payment to each local educational agency that received a foundation payment under paragraph (1) for the fiscal year involved in an amount that bears the same relation to 25 percent of the remainder as the amount the local educational agency received under paragraph (1) for the fiscal year involved bears to the amount all local educational agencies received under paragraph (1) for the fiscal year involved; and

"(B) the Secretary shall make a payment to each local educational agency that is eligible to receive a payment under this section for the fiscal year involved in an amount that bears the same relation to 75 percent of the remainder as a percentage share determined for the local educational agency (in the same manner as per-

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centage shares are determined for local educational agencies under paragraph (2)(B)(ii)) bears to the percentage share determined (in the same manner) for all local educational agencies eligible to receive a payment under this section for the fiscal year involved, except that for the purpose of calculating a local educational agency's assessed value of the Federal property, data from the most current fiscal year shall be used.".

#### (d) Special Payments.—

- (1) IN GENERAL.—Section 8002(i)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702(i)(1)) is amended to read as follows:
- "(1) In GENERAL.—For any fiscal year beginning with fiscal year 2000 for which the amount appropriated to carry out this section exceeds the amount so appropriated for fiscal year 1996 and for which subsection (b)(1)(B) applies, the Secretary shall use the remainder described in subsection (h)(3) for the fiscal year involved (not to exceed the amount equal to the difference between (A) the amount appropriated to carry out this section for fiscal year 1997 and (B) the amount appropriated to carry out this section for fiscal year 1996) to in-

- 1 crease the payment that would otherwise be made
- 2 under this section to not more than 50 percent of
- 3 the maximum amount determined under subsection
- 4 (b) for any local educational agency described in
- 5 paragraph (2).".
- 6 (2) Conforming amendment.—The heading
- 7 of section 8002(i) of the Elementary and Secondary
- 8 Education Act of 1965 (20 U.S.C. 7702(i)) is
- 9 amended by striking "Priority" and inserting Spe-
- 10 CIAL".
- 11 (e) Additional Assistance for Certain Local
- 12 EDUCATIONAL AGENCIES IMPACTED BY FEDERAL PROP-
- 13 ERTY ACQUISITION.—Section 8002(j)(2) of the Elemen-
- 14 tary and Secondary Education Act of 1965 (20 U.S.C.
- 15 7702(j)(2)) is amended—
- 16 (1) by striking "(A) A local educational agen-
- 17 cy" and inserting "A local educational agency";
- 18 (2) by redesignating clauses (i) through (v) as
- subparagraphs (A) through (E), respectively; and
- 20 (3) in subparagraph (C) (as redesignated), by
- adding at the end before the semicolon the following:
- 22 "and such agency does not currently have a military
- installation located within its geographic bound-
- 24 aries".

1	(f) Data; Preliminary and Final Payments.—
2	Section 8002 of the Elementary and Secondary Education
3	Act of $1965$ (20 U.S.C. $7702$ ) is amended by adding at
4	the end the following:
5	"(l) Data; Preliminary and Final Payments.—
6	"(1) IN GENERAL.—The Secretary shall—
7	"(A) not later than 30 days following the
8	application deadline under section 8005(c) for a
9	fiscal year, require any local educational agency
10	that applied for a payment under subsection (b)
11	for the fiscal year to submit such data as may
12	be necessary in order to compute the payment;
13	"(B) as soon as possible after the begin-
14	ning of any fiscal year, but no later than 60
15	days after the enactment of an Act making ap-
16	propriations to carry out this title for the fiscal
17	year, provide a preliminary payment under sub-
18	section (b) for any local educational agency that
19	applied for a payment under subsection (b) for
20	the fiscal year and was eligible for such a pay-
21	ment for the preceding fiscal year, in the
22	amount of 60 percent of the payment for the
23	previous year; and
24	"(C) provide a final payment under sub-
25	section (b) for any eligible local educational

1 agency not later than 12 months after the ap-2 plication deadline established under section 3 8005(c), except that any local educational agen-4 cy failing to submit all of the data required 5 under subparagraph (A) shall be denied such 6 payment for the fiscal year for which the appli-7 cation is made unless funds from a source other 8 than the Act described in subparagraph (B) are 9 made available to provide such payment.

"(2) ELIGIBILITY FOR PAYMENTS IN SUBSE-QUENT YEARS.—The denial of a payment under subsection (b) to a local educational agency for a fiscal year pursuant to this subsection shall not affect the eligibility of the local educational agency for a final payment under subsection (b) for a subsequent fiscal year.".

# 17 SEC. 4. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED

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- 19 (a) MILITARY INSTALLATION HOUSING UNDERGOING
- 20 Renovation or Rebuilding.—
- 21 (1) IN GENERAL.—Section 8003(a)(4) of the
- Elementary and Secondary Education Act of 1965
- 23 (20 U.S.C. 7703(a)) is amended—

1	(A) in the heading, by striking "UNDER-
2	GOING RENOVATION" and inserting "UNDER-
3	GOING RENOVATION OR REBUILDING";
4	(B) by striking "For purposes" and insert-
5	ing the following:
6	"(A) In general.—For purposes";
7	(C) in subparagraph (A) (as designated by
8	subparagraph (B)), by inserting "or rebuilding"
9	after "undergoing renovation"; and
10	(D) by adding at the end the following:
11	"(B) Limitations.—(i)(I) Except as pro-
12	vided in subclause (II), children described in
13	paragraph (1)(D)(i) may be deemed to be chil-
14	dren described in paragraph (1)(B) with respect
15	to housing on Federal property undergoing ren-
16	ovation or rebuilding in accordance with sub-
17	paragraph (A) for a period not to exceed 2 fis-
18	cal years.
19	"(II) If the Secretary determines, on the
20	basis of a certification provided to the Secretary
21	by a designated representative of the Secretary
22	of Defense, that the expected completion date of
23	the renovation or rebuilding of the housing has
24	been delayed by not less than 1 year, then—

1	"(aa) in the case of a determination
2	made by the Secretary in the first fiscal
3	year described in subclause (I), the time
4	period described such subclause shall be
5	extended by the Secretary for an additional
6	2 years; and
7	"(bb) in the case of a determination
8	made by the Secretary in the second fiscal
9	year described in subclause (I), the time
10	period described such subclause shall be
11	extended by the Secretary for an additional
12	1 year.
13	"(ii) The number of children described in
14	paragraph (1)(D)(i) who are deemed to be chil-
15	dren described in paragraph (1)(B) with respect
16	to housing on Federal property undergoing ren-
17	ovation or rebuilding in accordance with sub-
18	paragraph (A) for any fiscal year may not ex-
19	ceed the maximum number of children who are
20	expected to occupy that housing upon comple-
21	tion of the renovation or rebuilding.".
22	(2) Effective date.—The amendments made
23	by paragraph (1) shall apply with respect to pay-
24	ments to a local educational agency for fiscal years

1	beginning before, on, or after the date of the enact-
2	ment of this Act.
3	(b) Military "Build to Lease" Program Hous-
4	ING.—Section 8003(a) of the Elementary and Secondary
5	Education Act of 1965 (20 U.S.C. 7703(a)) is amended
6	by adding at the end the following:
7	"(5) Military 'Build to lease' program
8	HOUSING.—
9	"(A) In general.—For purposes of com-
10	puting the amount of payment for a local edu-
11	cational agency for children identified under
12	paragraph (1), the Secretary shall consider chil-
13	dren residing in housing initially acquired or
14	constructed under the former section 2828(g) of
15	title 10, United States Code (commonly known
16	as the 'Build to Lease' program), as added by
17	section 801 of the Military Construction Au-
18	thorization Act, 1984, to be children described
19	under paragraph (1)(B) if the property de-
20	scribed is within the fenced security perimeter
21	of the military facility upon which such housing
22	is situated.
23	"(B) Additional requirements.—If the
24	property described in subparagraph (A) is not

owned by the Federal Government, is subject to

taxation by a State or political subdivision of a

State, and thereby generates revenues for a

local educational agency that is applying to receive a payment under this section, then the

Secretary—

"(i) shall require the local educational

"(i) shall require the local educational agency to provide certification from an appropriate official of the Department of Defense that the property is being used to provide military housing; and

"(ii) shall reduce the amount of the payment under this section by an amount equal to the amount of revenue from such taxation received in the second preceding fiscal year by such local educational agency, unless the amount of such revenue was taken into account by the State for such second preceding fiscal year and already resulted in a reduction in the amount of State aid paid to such local educational agency."

#### 22 SEC. 5. MAXIMUM AMOUNT OF BASIC SUPPORT PAYMENTS.

Section 8003(b)(1) of the Elementary and Secondary

24 Education Act of 1965 (20 U.S.C. 7703(b)(1)) is amended

25 by adding at the end the following:

1 "(D) Increase in local contribution 2 RATE DUE TO UNUSUAL GEOGRAPHIC FAC-3 TORS.—If the current expenditures in those local educational agencies which the Secretary has determined to be generally comparable to 6 the local educational agency for which a com-7 putation is made under subparagraph (C) are 8 not reasonably comparable because of unusual 9 geographical factors which affect the current 10 expenditures necessary to maintain, in such agency, a level of education equivalent to that 12 maintained in such other agencies, then the 13 Secretary shall increase the local contribution 14 rate for such agency under subparagraph 15 (C)(iii) by such an amount which the Secretary 16 determines will compensate such agency for the 17 increase in current expenditures necessitated by 18 such unusual geographical factors. The amount 19 of any such supplementary payment may not 20 exceed the per-pupil share (computed with regard to all children in average daily attend-22 ance), as determined by the Secretary, of the 23 increased current expenditures necessitated by 24 such unusual geographic factors.".

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1	SEC. 6. BASIC SUPPORT PAYMENTS FOR HEAVILY IM-
2	PACTED LOCAL EDUCATIONAL AGENCIES.
3	(a) In General.—Section 8003(b) of the Elemen-
4	tary and Secondary Education Act of 1965 (20 U.S.C.
5	7703(b)) is amended—
6	(1) by redesignating paragraphs (2) and (3) as
7	paragraphs (3) and (4), respectively; and
8	(2) by inserting after paragraph (1) the fol-
9	lowing:
10	"(2) Basic support payments for heavily
11	IMPACTED LOCAL EDUCATIONAL AGENCIES.—
12	"(A) IN GENERAL.—(i) From the amount
13	appropriated under section 8014(b) for a fiscal
14	year, the Secretary is authorized to make basic
15	support payments to eligible heavily impacted
16	local educational agencies with children de-
17	scribed in subsection (a).
18	"(ii) A local educational agency that re-
19	ceives a basic support payment under this para-
20	graph for a fiscal year shall not be eligible to
21	receive a basic support payment under para-
22	graph (1) for that fiscal year.
23	"(B) ELIGIBILITY FOR CONTINUING HEAV-
24	ILY IMPACTED LOCAL EDUCATIONAL AGEN-
25	CIES.—

1	"(i) FISCAL YEAR 2001.—A heavily
2	impacted local educational agency is eligi-
3	ble to receive a basic support payment
4	under subparagraph (A) for fiscal year
5	2001 with respect to a number of children
6	determined under subsection (a)(1) only if
7	the agency received an additional assist-
8	ance payment under subsection (f) (as
9	such subsection was in effect on the day
10	before the date of the enactment of the
11	Impact Aid Reauthorization Act of 2000)
12	for fiscal year 2000.
13	"(ii) Fiscal year 2002 and subse-
14	QUENT FISCAL YEARS.—A heavily im-
15	pacted local educational agency described
16	in clause (i) is eligible to receive a basic
17	support payment under subparagraph (A)
18	for fiscal year 2002 and any subsequent
19	fiscal year with respect to a number of
20	children determined under subsection
21	(a)(1) only if the agency—
22	"(I) received a basic support pay-
23	ment under subparagraph (A) for fis-
24	cal year 2001; and

1	"(II)(aa) is a local educational
2	agency whose boundaries are the same
3	as a Federal military installation;
4	"(bb) has an enrollment of feder-
5	ally connected children described in
6	subsection (a)(1) which constitutes a
7	percentage of the total student enroll-
8	ment of such agency which is not less
9	than 35 percent, has a per-pupil ex-
10	penditure that is less than the average
11	per-pupil expenditure of the State in
12	which the agency is located or the av-
13	erage per-pupil expenditure of all
14	States (whichever average per-pupil
15	expenditure is greater), except that a
16	local educational agency with a total
17	student enrollment of less than 350
18	students shall be deemed to have sat-
19	isfied such per-pupil expenditure re-
20	quirement, and has a tax rate for gen-
21	eral fund purposes which is at least
22	95 percent of the average tax rate for
23	general fund purposes of comparable
24	local educational agencies in the
25	State; or

1	"(cc) has a total student enroll-
2	ment of not less than 25,000 stu-
3	dents, of which not less than 50 per-
4	cent are federally connected children
5	described in subsection (a)(1) and not
6	less than 6,000 of such federally con-
7	nected children are children described
8	in subparagraphs (A) and (B) of sub-
9	section (a)(1).
10	"(iii) Resumption of eligibility.—
11	A heavily impacted local educational agen-
12	cy described in clause (i) or (ii) that be-
13	comes ineligible under either such clause
14	for one or more fiscal years may resume
15	eligibility for a basic support payment
16	under this paragraph for a subsequent fis-
17	cal year only if the agency meets the re-
18	quirements of item (aa), (bb), or (cc) of
19	clause (ii)(II) for that subsequent fiscal
20	year.
21	"(C) ELIGIBILITY FOR NEW HEAVILY IM-
22	PACTED LOCAL EDUCATIONAL AGENCIES.—
23	"(i) In General.—A heavily im-
24	pacted local educational agency that did
25	not receive an additional assistance pay-

ment under subsection (f) (as such sub-1 2 section was in effect on the day before the date of the enactment of the Impact Aid 3 Reauthorization Act of 2000) for fiscal year 2000 is eligible to receive a basic sup-6 port payment under subparagraph (A) for 7 fiscal year 2002 and any subsequent fiscal 8 year with respect to a number of children 9 determined under subsection (a)(1) only if 10 the agency— 11 "(I) has an enrollment of feder-12 ally connected children described in 13 subsection (a)(1) which constitutes a 14 percentage of the total student enroll-15 ment of such agency which (aa) is not 16 less than 50 percent if such agency 17 receives a payment on behalf of chil-18 dren described in subparagraphs (F) 19 and (G) of such subsection or (bb) is 20 not less than 40 percent if such agen-21 cy does not receive a payment on be-22 half of such children; "(II)(aa) is a local educational 23 24 agency whose boundaries are the same 25 as a Federal military installation; or

1	"(bb) is a local educational agen-
2	cy that has a tax rate for general
3	fund purposes which is at least 95
4	percent of the average tax rate for
5	general fund purposes of comparable
6	local educational agencies in the
7	State; and
8	"(III)(aa) for a local educational
9	agency that has a total student enroll-
10	ment of 350 or more students, the
11	agency has a per-pupil expenditure
12	that is less than the average per-pupil
13	expenditure of the State in which the
14	agency is located; or
15	"(bb) for a local educational
16	agency that has a total student enroll-
17	ment of less than 350 students, the
18	agency has a per-pupil expenditure
19	that is less than the average per-pupil
20	expenditure of a comparable agency in
21	the State in which the agency is lo-
22	cated.
23	"(ii) Resumption of eligibility.—
24	A heavily impacted local educational agen-
25	cy described in clause (i) that becomes in-

eligible under such clause for one or more fiscal years may resume eligibility for a basic support payment under this paragraph for a subsequent fiscal year only if the agency meets the requirements of subclauses (I), (II), and (III) of clause (i) for that subsequent fiscal year.

"(iii) APPLICATION.—With respect to the first fiscal year for which a heavily impacted local educational agency described in clause (i) applies for a basic support payment under subparagraph (A), or with respect to the first fiscal year for which a heavily impacted local educational agency applies for a basic support payment under subparagraph (A) after becoming ineligible under clause (i) for one or more preceding fiscal years, the agency shall apply for such payment at least 1 year prior to the start of that first fiscal year.

"(D) MAXIMUM AMOUNT FOR REGULAR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—(i) Except as provided in subparagraph (E), the maximum amount that a heavily impacted local educational agency is eligible to

1	receive under this paragraph for any fiscal year
2	is the sum of the total weighted student units,
3	as computed under subsection (a)(2) (subject to
4	clause (ii)), multiplied by the greater of—
5	"(I) four-fifths of the average per-
6	pupil expenditure of the State in which the
7	local educational agency is located for the
8	third fiscal year preceding the fiscal year
9	for which the determination is made; or
10	"(II) four-fifths of the average per-
11	pupil expenditure of all of the States for
12	the third fiscal year preceding the fiscal
13	year for which the determination is made.
14	"(ii)(I) For a local educational agency with
15	respect to which 35 percent or more of the total
16	student enrollment of the schools of the agency
17	are children described in subparagraph (D) or
18	(E) (or a combination thereof) of subsection
19	(a)(1), the Secretary shall calculate the weight-
20	ed student units of such children for purposes
21	of subsection (a)(2) by multiplying the number
22	of such children by a factor of 0.55.
23	"(II) For a local educational agency that
24	has an enrollment of 100 or fewer federally con-
25	nected children described in subsection (a)(1),

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the Secretary shall calculate the total number of weighted student units for purposes of subsection (a)(2) by multiplying the number of such children by a factor of 1.75.

"(III) For a local educational agency that has an enrollment of more than 100 but not more than 750 children described in subsection (a)(1), the Secretary shall calculate the total number of weighted student units for purposes of subsection (a)(2) by multiplying the number of such children by a factor of 1.25.

"(E)Maximum AMOUNT FOR LARGE HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—(i)(I) Subject to clause (ii), the maximum amount that a heavily impacted local educational agency described in subclause (II) is eligible to receive under this paragraph for any fiscal year shall be determined in accordance with the formula described in paragraph (1)(C).

"(II) A heavily impacted local educational agency described in this subclause is a local educational agency that has a total student enrollment of not less than 25,000 students, of which not less than 50 percent are federally

- connected children described in subsection

  (a)(1) and not less than 6,000 of such federally

  connected children are children described in

  subparagraphs (A) and (B) of subsection

  (a)(1).
  - "(ii) For purposes of calculating the maximum amount described in clause (i), the factor used in determining the weighted student units under subsection (a)(2) with respect to children described in subparagraphs (A) and (B) of subsection (a)(1) shall be 1.35.
    - "(F) Data.—For purposes of providing assistance under this paragraph, the Secretary shall use student, revenue, expenditure, and tax data from the third fiscal year preceding the fiscal year for which the local educational agency is applying for assistance under this paragraph.".
- 19 (b) Payments With Respect to Fiscal Years in
- 20 Which Insufficient Funds Are Appropriated.—
- 21 Paragraph (3) of section 8003(b) of the Elementary and
- 22 Secondary Education Act of 1965 (20 U.S.C. 7703(b)),
- 23 as redesignated, is amended—
- 24 (1) in subparagraph (A), by striking "para-
- graph (1)" and inserting "paragraphs (1) and (2)";

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1	(2) in subparagraph (B)—
2	(A) in the heading, by inserting after
3	"PAYMENTS" the following: "IN LIEU OF PAY-
4	MENTS UNDER PARAGRAPH (1)";
5	(B) in the matter preceding subclause (I)
6	of clause (i), by inserting after "threshold pay-
7	ment')" the following: "in lieu of basic support
8	payments under paragraph (1)";
9	(C) in clause (ii), by striking "paragraph
10	(1)" and inserting "clause (i)"; and
11	(D) by adding at the end the following:
12	"(iv) In the case of a local educational
13	agency that has a total student enrollment of
14	fewer than 1,000 students and that has a per-
15	pupil expenditure that is less than the average
16	per-pupil expenditure of the State in which the
17	agency is located, the total percentage used to
18	calculate threshold payments under clause (i)
19	shall not be less than 40 percent.";
20	(3) by redesignating subparagraph (C) as sub-
21	paragraph (D);
22	(4) by inserting after subparagraph (B) the fol-
23	lowing:
24	"(C) Learning opportunity thresh-
25	OLD PAYMENTS IN LIEU OF PAYMENTS UNDER

1	PARAGRAPH (2).—For fiscal years described in
2	subparagraph (A), the learning opportunity
3	threshold payment in lieu of basic support pay-
4	ments under paragraph (2) shall be equal to the
5	amount obtained under subparagraph (D) or
6	(E) of paragraph (2), as the case may be."; and
7	(5) in subparagraph (D) (as redesignated), by
8	striking "computation made under subparagraph
9	(B)" and inserting "computations made under sub-
10	paragraphs (B) and (C)".
11	(c) Conforming Amendments.—(1) Section
12	8002(b)(1)(C) of the Elementary and Secondary Edu-
13	cation Act of 1965 (20 U.S.C. 7702(b)(1)(C)) is amended
14	by striking "section 8003(b)(1)(C)" and inserting "para-
15	graph (1)(C) of section 8003(b) or subparagraph (D) or
16	(E) of paragraph (2) of such section, as the case may be".
17	(2) Section 8003 of the Elementary and Secondary
18	Education Act of 1965 (20 U.S.C. 7703) is amended—
19	(A) in subsection (a)(1), by striking "subsection
20	(b), (d), or (f)" and inserting "subsection (b) or
21	(d)";
22	(B) in subsection (b)—
23	(i) in paragraph (1)(C), in the matter pre-
24	ceding clause (i), by striking "this subsection"
25	and inserting "this paragraph"; and

1	(ii) in paragraph (4) (as redesignated)—
2	(I) in subparagraph (A), by striking
3	"paragraphs (1)(B), (1)(C), and (2) of this
4	subsection" and inserting "subparagraphs
5	(B) and (C) of paragraph (1) or subpara-
6	graphs (B) through (D) of paragraph (2),
7	as the case may be, paragraph (3) of this
8	subsection"; and
9	(II) in subparagraph (B)—
10	(aa) by inserting after "para-
11	graph (1)(C)" the following: "or sub-
12	paragraph (D) or (E) of paragraph
13	(2), as the case may be,"; and
14	(bb) by striking "paragraph
15	(2)(B)" and inserting "subparagraph
16	(B) or (C) of paragraph (3)";
17	(C) in subsection (c)(1), by striking "paragraph
18	(2) and subsection (f)" and inserting "subsection
19	(b)(2) and paragraph (2)";
20	(D) by striking subsection (f); and
21	(E) in subsection (i), by striking "sections 8002
22	and 8003(b)" and inserting "section 8002 and sub-
23	section (b) of this section".

1	SEC. 7. BASIC SUPPORT PAYMENTS FOR LOCAL EDU-
2	CATIONAL AGENCIES AFFECTED BY RE-
3	MOVAL OF FEDERAL PROPERTY.
4	Section 8003(b) of the Elementary and Secondary
5	Education Act of 1965 (20 U.S.C. 7703(b)), as amended
6	by this Act, is further amended by adding at the end the
7	following:
8	"(5) Local educational agencies af-
9	FECTED BY REMOVAL OF FEDERAL PROPERTY.—
10	"(A) In General.—In computing the
11	amount of a basic support payment under this
12	subsection for a fiscal year for a local edu-
13	cational agency described in subparagraph (B),
14	the Secretary shall meet the additional require-
15	ments described in subparagraph (C).
16	"(B) LOCAL EDUCATIONAL AGENCY DE-
17	SCRIBED.—A local educational agency described
18	in this subparagraph is a local educational
19	agency with respect to which Federal property
20	(i) located within the boundaries of the agency,
21	and (ii) on which one or more children reside
22	who are receiving a free public education at a
23	school of the agency, is transferred by the Fed-
24	eral Government to another entity in any fiscal
25	year beginning on or after the date of the en-
26	actment of the Impact Aid Reauthorization Act

1 of 2000 so that the property is subject to tax-2 ation by the State or a political subdivision of the State. 3 "(C) Additional requirements.—The additional requirements described in this sub-6 paragraph are the following: 7 "(i) For each fiscal year beginning 8 after the date on which the Federal prop-9 erty is transferred, a child described in 10 subparagraph (B) who continues to reside 11 on such property and who continues to re-12 ceive a free public education at a school of 13 the agency shall be deemed to be a child 14 who resides on Federal property for pur-15 poses of computing under the applicable 16 subparagraph of subsection (a)(1) the 17 amount that the agency is eligible to re-18 ceive under this subsection. 19 "(ii)(I) For the third fiscal year be-20 ginning after the date on which the Fed-21 eral property is transferred, and for each 22 fiscal year thereafter, the Secretary shall, 23 after computing the amount that the agen-

cy is otherwise eligible to receive under this

subsection for the fiscal year involved, de-

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1	duct from such amount an amount equal
2	to the revenue received by the agency for
3	the immediately preceding fiscal year as a
4	result of the taxable status of the former
5	Federal property.
6	"(II) For purposes of determining the
7	amount of revenue to be deducted in ac-
8	cordance with subclause (I), the local edu-
9	cational agency—
10	"(aa) shall provide for a review
11	and certification of such amount by
12	an appropriate local tax authority;
13	and
14	"(bb) shall submit to the Sec-
15	retary a report containing the amount
16	certified under item (aa).".
17	SEC. 8. ADDITIONAL PAYMENTS FOR LOCAL EDUCATIONAL
18	AGENCIES WITH HIGH CONCENTRATIONS OF
19	CHILDREN WITH SEVERE DISABILITIES.
20	(a) Repeal.—Subsection (g) of section 8003 of the
21	Elementary and Secondary Education Act of 1965 (20
22	U.S.C. 7703(g)) is repealed.
23	(b) Conforming Amendments.—(1) Section 8003
24	of the Elementary and Secondary Education Act of 1965

1	(20 U.S.C. 7703) is amended by redesignating subsections
2	(h) and (i) as subsections (f) and (g), respectively.
3	(2) Section 426 of the General Education Provisions
4	Act (20 U.S.C. 1228) is amended by striking "subsections
5	(d) and (g) of section 8003 of such Act" and inserting
6	"section 8003(d) of such Act".
7	SEC. 9. APPLICATION FOR PAYMENTS UNDER SECTIONS
8	8002 AND 8003.
9	Section 8005(d) of the Elementary and Secondary
10	Education Act of 1965 (20 U.S.C. 7705(d)) is amended—
11	(1) in paragraph (2), by inserting after "not
12	more than 60 days after a deadline established
13	under subsection (c)" the following: ", or not more
14	than 60 days after the date on which the Secretary
15	sends written notice to the local educational agency
16	pursuant to paragraph (3)(A), as the case may be,";
17	and
18	(2) in paragraph (3) to read as follows:
19	"(3) Late applications.—
20	"(A) Notice.—The Secretary shall, as
21	soon as practicable after the deadline estab-
22	lished under subsection (e), provide to each
23	local educational agency that applied for a pay-
24	ment under section 8002 or 8003 for the prior
25	fiscal year, and with respect to which the Sec-

retary has not received an application for a payment under either such section (as the case
may be) for the fiscal year in question, written
notice of the failure to comply with the deadline
and instruction to ensure that the application is
filed not later than 60 days after the date on
which the Secretary sends the notice.

"(B) ACCEPTANCE AND APPROVAL OF LATE APPLICATIONS.—The Secretary shall not accept or approve any application of a local educational agency that is filed more than 60 days after the date on which the Secretary sends written notice to the local educational agency pursuant to subparagraph (A).".

## 15 SEC. 10. PAYMENTS FOR SUDDEN AND SUBSTANTIAL IN-

- 16 CREASES IN ATTENDANCE OF MILITARY DE-
- 17 **PENDENTS.**

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- 18 Section 8006 of the Elementary and Secondary Edu-
- 19 cation Act of 1965 (20 U.S.C. 7706) is repealed.
- 20 SEC. 11. CONSTRUCTION.
- 21 (a) IN GENERAL.—Section 8007 of the Elementary
- 22 and Secondary Education Act of 1965 (20 U.S.C. 7707)
- 23 is amended to read as follows:
- 24 "SEC. 8007. CONSTRUCTION.
- 25 "(a) Construction Payments Authorized.—

1	"(1) In general.—From 70 percent of the
2	amount appropriated for each fiscal year under sec-
3	tion 8014(e), the Secretary shall make payments in
4	accordance with this subsection to each local edu-
5	cational agency that receives a basic support pay-
6	ment under section 8003(b) for that fiscal year.
7	"(2) Additional requirements.—A local
8	educational agency that receives a basic support pay-
9	ment under section 8003(b)(1) shall also meet at
10	least one of the following requirements:
11	"(A) The number of children determined
12	under section 8003(a)(1)(C) for the agency for
13	the preceding school year constituted at least
14	50 percent of the total student enrollment in
15	the schools of the agency during the preceding
16	school year.
17	"(B) The number of children determined
18	under subparagraphs (B) and (D)(i) of section
19	8003(a)(1) for the agency for the preceding
20	school year constituted at least 50 percent of
21	the total student enrollment in the schools of
22	the agency during the preceding school year.
23	"(3) Amount of payments.—
24	"(A) Local educational agencies im-

PACTED BY MILITARY DEPENDENT CHIL-

1	DREN.—The amount of a payment to each local
2	educational agency described in this subsection
3	that is impacted by military dependent children
4	for a fiscal year shall be equal to—
5	"(i)(II) 35 percent of the amount ap-
6	propriated under section 8014(e) for such
7	fiscal year; divided by
8	"(II) the total number of weighted
9	student units of children described in sub-
10	paragraphs (B) and (D)(i) of section
11	8003(a)(1) for all local educational agen-
12	cies described in this subsection (as cal-
13	culated under section 8003(a)(2)), includ-
14	ing the number of weighted student units
15	of such children attending a school facility
16	described in section 8008(a) if the Sec-
17	retary does not provide assistance for the
18	school facility under that section for the
19	prior fiscal year; multiplied by
20	"(ii) the total number of such weight-
21	ed student units for the agency.
22	"(B) Local educational agencies im-
23	PACTED BY CHILDREN WHO RESIDE ON INDIAN
24	LANDS.—The amount of a payment to each
25	local educational agency described in this sub-

1	section that is impacted by children who reside
2	on Indian lands for a fiscal year shall be equal
3	to—
4	"(i)(I) 35 percent of the amount ap-
5	propriated under section 8014(e) for such
6	fiscal year; divided by
7	"(II) the total number of weighted
8	student units of children described in sec-
9	tion 8003(a)(1)(C) for all local educational
10	agencies described in this subsection (as
11	calculated under section 8003(a)(2)); mul-
12	tiplied by
13	"(ii) the total number of such weight-
14	ed student units for the agency.
15	"(4) USE OF FUNDS.—Any local educational
16	agency that receives funds under this subsection
17	shall use such funds for construction, as defined in
18	section 8013(3).
19	"(b) School Facility Modernization Grants
20	AUTHORIZED.—
21	"(1) In general.—From 30 percent of the
22	amount appropriated for each fiscal year under sec-
23	tion 8014(e), the Secretary shall award grants in ac-
24	cordance with this subsection to eligible local edu-
25	cational agencies to enable the local educational

1	agencies to carry out modernization of school facili-
2	ties.
3	"(2) Eligibility requirements.—A local
4	educational agency is eligible to receive funds under
5	this subsection only if—
6	"(A) such agency (or in the case of a local
7	educational agency that does not have the au-
8	thority to tax or issue bonds, such agency's fis-
9	cal agent) has no capacity to issue bonds or is
10	at such agency's limit in bonded indebtedness
11	for the purposes of generating funds for capital
12	expenditures; and
13	"(B)(i) such agency received assistance
14	under section 8002(a) for the fiscal year and
15	has an assessed value of taxable property per
16	student in the school district that is less than
17	the average of the assessed value of taxable
18	property per student in the State in which the
19	local educational agency is located; or
20	"(ii) such agency received assistance under
21	subsection (a) for the fiscal year and has a
22	school facility emergency, as determined by the
23	Secretary, that poses a health or safety hazard
24	to the students and school personnel assigned

to the school facility.

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1	"(3) Award Criteria.—In awarding grants
2	under this subsection the Secretary shall consider
3	one or more of the following factors:
4	"(A) The extent to which the local edu-
5	cational agency lacks the fiscal capacity to un-
6	dertake the modernization project without Fed-
7	eral assistance.
8	"(B) The extent to which property in the
9	local educational agency is nontaxable due to
10	the presence of the Federal Government.
11	"(C) The extent to which the local edu-
12	cational agency serves high numbers or percent-
13	ages of children described in subparagraphs
14	(A), (B), (C), and (D) of section 8003(a)(1).
15	"(D) The need for modernization to
16	meet—
17	"(i) the threat that the condition of
18	the school facility poses to the safety and
19	well-being of students;
20	"(ii) overcrowding conditions as evi-
21	denced by the use of trailers and portable
22	buildings and the potential for future over-
23	crowding because of increased enrollment;
24	and

1	"(iii) facility needs resulting from ac-
2	tions of the Federal Government.
3	"(E) The age of the school facility to be
4	modernized.
5	"(4) Other Award Provisions.—
6	"(A) Federal share.—The Federal
7	funds provided under this subsection to a local
8	educational agency described in subparagraph
9	(C) shall not exceed 50 percent of the total cost
10	of the project to be assisted under this sub-
11	section. A local educational agency may use in-
12	kind contributions to meet the matching re-
13	quirement of the preceding sentence.
14	"(B) Maximum Grant.—A local edu-
15	cational agency described in subparagraph (C)
16	may not receive a grant under this subsection
17	in an amount that exceeds \$3,000,000 during
18	any 5-year period.
19	"(C) Local educational agency de-
20	SCRIBED.—A local educational agency described
21	in this subparagraph is a local educational
22	agency that has the authority to issue bonds
23	but is at such agency's limit in bonded indebt-
24	edness for the purposes of generating funds for

capital expenditures.

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1	"(5) APPLICATIONS.—A local educational agen-
2	cy that desires to receive a grant under this sub-
3	section shall submit an application to the Secretary
4	at such time, in such manner, and accompanied by
5	such information as the Secretary may require. Each
6	application shall contain—
7	"(A) documentation certifying such agen-
8	cy's lack of bonding capacity;
9	"(B) a listing of the school facilities to be
10	modernized, including the number and percent-
11	age of children determined under section
12	8003(a)(1) in average daily attendance in each
13	school facility;
14	"(C) a description of the ownership of the
15	property on which the current school facility is
16	located or on which the planned school facility
17	will be located;
18	"(D) a description of any school facility
19	deficiency that poses a health or safety hazard
20	to the occupants of the school facility and a de-
21	scription of how that deficiency will be repaired;
22	"(E) a description of the modernization to
23	be supported with funds provided under this
24	subsection:

"(F) a cost estimate of the proposed mod-
ernization; and
"(G) such other information and assur-
ances as the Secretary may reasonably require.
"(6) Emergency grants.—
"(A) Applications.—Each local edu-
cational agency described in paragraph
(2)(B)(ii) that desires a grant under this sub-
section shall include in the application sub-
mitted under paragraph (5) a signed statement
from an appropriate local official certifying that
a health or safety deficiency exists.
"(B) Priority.—If the Secretary receives
more than one application from local edu-
cational agencies described in paragraph
(2)(B)(ii) for grants under this subsection for
any fiscal year, the Secretary shall give priority
to local educational agencies based on the sever-
ity of the emergency, as determined by the Sec-
retary, and when the application was received.
"(C) Consideration for following
YEAR.—A local educational agency described in
paragraph (2)(B)(ii) that applies for a grant
under this subsection for any fiscal year and

does not receive the grant shall have the appli-

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1	cation for the grant considered for the following
2	fiscal year, subject to the priority described in
3	subparagraph (B).".
4	(b) Definition.—Section 8013 of the Elementary
5	and Secondary Education Act of 1965 (20 U.S.C. 7713)
6	is amended by adding at the end the following:
7	"(13) Modernization.—The term 'moderniza-
8	tion' means repair, renovation, alteration, or con-
9	struction, including—
10	"(A) the concurrent installation of equip-
11	ment; and
12	"(B) the complete or partial replacement
13	of an existing school facility, but only if such
14	replacement is less expensive and more cost-ef-
15	fective than repair, renovation, or alteration of
16	the school facility.".
17	SEC. 12. FEDERAL ADMINISTRATION.
18	Section 8010(c) of the Elementary and Secondary
19	Education Act of 1965 (20 U.S.C. 7710(c)) is amended—
20	(1) by striking paragraph (1);
21	(2) by redesignating paragraphs (2) and (3) as
22	paragraphs (1) and (2), respectively; and
23	(3) in paragraph (2)(D) (as redesignated), by
24	striking "section 5(d)(2) of the Act of September
25	30, 1950 (Public Law 874, 81st Congress) (as such

- 1 section was in effect on the day preceding the date
- 2 of enactment of the Improving America's Schools
- 3 Act of 1994) or".
- 4 SEC. 13. ADMINISTRATIVE HEARINGS AND JUDICIAL RE-
- 5 VIEW.
- 6 (a) Administrative Hearings.—
- 7 (1) In General.—Section 8011(a) of the Ele-
- 8 mentary and Secondary Education Act of 1965 (20)
- 9 U.S.C. 7711) is amended by adding at the end be-
- fore the period the following: "if the local edu-
- cational agency or State, as the case may be, sub-
- mits to the Secretary a request for the hearing not
- later than 60 days after the date of the action of the
- 14 Secretary under this title".
- 15 (2) Effective date.—The amendment made
- by paragraph (1) shall apply with respect to an ac-
- tion of the Secretary under title VIII of the Elemen-
- tary and Secondary Education Act of 1965 (20
- 19 U.S.C. 7701 et seq.) initiated on or after the date
- of the enactment of this Act.
- 21 (b) Judicial Review of Secretarial Action.—
- 22 Section 8011(b)(1) of the Elementary and Secondary
- 23 Education Act of 1965 (20 U.S.C. 7711(b)(1)) is amended
- 24 by striking "60 days" and inserting "30 working days (as
- 25 determined by the local educational agency or State)".

### SEC. 14. DEFINITIONS.

- 2 Section 8013(5)(A)(iii) of the Elementary and Sec-
- 3 ondary Education Act of 1965 (20 U.S.C. 7713(5)(A)(iii))
- 4 is amended—
- 5 (1) in subclause (I), by striking "or" at the
- 6 end; and
- 7 (2) by adding at the end the following:
- 8 "(III) affordable housing assisted
- 9 under the Native American Housing As-
- sistance and Self-Determination Act of
- 11 1996; or".

### 12 SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

- 13 (a) Payments for Federal Acquisition of Real
- 14 Property.—Section 8014(a) of the Elementary and Sec-
- 15 ondary Education Act of 1965 (20 U.S.C. 7714(a)) is
- 16 amended by striking "\$16,750,000 for fiscal year 1995"
- 17 and inserting "\$32,000,000 for fiscal year 2000".
- 18 (b) Basic Payments.—Section 8014(b) of the Ele-
- 19 mentary and Secondary Education Act of 1965 (20 U.S.C.
- 20 7714(b)) is amended—
- 21 (1) by striking "subsections (b) and (f) of sec-
- tion 8003" and inserting "section 8003(b)";
- 23 (2) by striking "\$775,000,000 for fiscal year
- 24 1995" and inserting "\$809,400,000 for fiscal year
- 25 2000"; and

- 1 (3) by striking ", of which 6 percent" and all
- 2 that follows and inserting a period.
- 3 (c) Payments for Children With Disabil-
- 4 ITIES.—Section 8014(c) of the Elementary and Secondary
- 5 Education Act of 1965 (20 U.S.C. 7714(c)) is amended
- 6 by striking "\$45,000,000 for fiscal year 1995" and insert-
- 7 ing "\$50,000,000 for fiscal year 2000".
- 8 (d) Payments for Increases in Military Chil-
- 9 DREN.—Subsection (d) of section 8014 of the Elementary
- 10 and Secondary Education Act of 1965 (20 U.S.C. 7714)
- 11 is repealed.
- (e) Construction.—Section 8014(e) of the Elemen-
- 13 tary and Secondary Education Act of 1965 (20 U.S.C.
- 14 7714(e)) is amended by striking "\$25,000,000 for fiscal
- 15 year 1995" and inserting "\$10,052,000 for fiscal year
- 16 2000".
- 17 (f) Facilities Maintenance.—Section 8014(f) of
- 18 the Elementary and Secondary Education Act of 1965 (20
- 19 U.S.C. 7714(f)) is amended by striking "\$2,000,000 for
- 20 fiscal year 1995" and inserting "\$5,000,000 for fiscal
- 21 year 2000".
- 22 (g) Additional Assistance for Certain Local
- 23 Educational Agencies Impacted by Federal Prop-
- 24 ERTY ACQUISITION.—Section 8014(g) of the Elementary

- 1 and Secondary Education Act of 1965 (20 U.S.C.
- 2 7714(g)) is amended—
- 3 (1) in the heading, by striking "Federal
- 4 Property Local Educational Agencies" and
- 5 inserting "Local Educational Agencies Im-
- 6 PACTED BY FEDERAL PROPERTY ACQUISITION";
- 7 and
- 8 (2) by striking "such sums as are necessary be-
- 9 ginning in fiscal year 1998 and for each succeeding
- fiscal year" and inserting "\$1,500,000 for fiscal
- 11 year 2000 and such sums as may be necessary for
- each of the four succeeding fiscal years".
- 13 SEC. 16. EFFECTIVE DATE.
- 14 This Act, and the amendments made by this Act,
- 15 shall take effect on October 1, 2000, or the date of the
- 16 enactment of this Act, whichever occurs later.

Passed the House of Representatives May 15, 2000.

Attest:

JEFF TRANDAHL,

Clerk.

## Calendar No. 549

# 106TH CONGRESS H.R. 3616

# A BILL

To reauthorize the impact aid program under the Elementary and Secondary Education Act of 1965, and for other purposes.

May 16, 2000

Received; read twice and placed on the calendar